



LUXEMBOURG

1. General

- a. The basis for Host Nation (HN) employment are the Treaties of Paris, Ottawa, and London.
- b. Personnel hired are contracted for, administrated by, and dismissed by the Luxembourg Ministry of Foreign Affairs (LMFA), Directorate of Defense acting in the name and on behalf of the United States Government.
- c. HN employment, to the extent not governed by treaty, is governed by the laws, rules, and customs of the Grand Duchy of Luxembourg.
- d. Specific conditions of employment are established in the Luxembourg Host Nation employee Labor regulation to which elected representatives have input.
- e. The LMFA provides payroll functions based on information provided by the Benelux Civilian Personnel Advisory Center, which retains all personnel records for HN employees. No administrative fee is charged by the LMFA.
- f. Grade level determinations of HN positions are made through the application of the Department of State (DS) Classification System. All positions are white collar. Salary schedule is determined by DS wage survey.
- g. Strikes by HN employees are allowed under the same conditions as found in the public sector.

2. Employment Conditions

- a. **Regular Work Hours** Amount to 40 hours per week.
- b. **Probationary Period** As a general rule, the minimum probationary period is two weeks, the maximum is six months. The probationary period is reduced to three months for workers whose educational level is lower than "CATP" (Certificate for Technical and Professional Skills) and extended to 12 months for employees whose monthly gross starting salary is equal to or exceeds € 536.
- c. **Separation Notice Periods** (1) The notice period for termination by the employing organization is:
 - Two months for employees with less than five years of service

- Four months for employees with between five and 10 years of service.
- Six months for employees with more than 10 years of service.

The employee is entitled to receive severance pay in addition to the notice period.

(2) Employees who terminate their employment must observe the following notice period:

- One month for employees with less than five years of service
- Two months for employees with between five and 10 years of service
- Three months for employees with more than 10 years of service.

3. Pay Entitlements

a. Regular Earnings

Are paid on the last day of the month and are set in accordance with the Luxembourg law dated 27 May 1975 and the modified Luxembourg law dated 22 June 1963.

b. Bonuses, Pay Supplements, and Allowances

(1) Bonus

The 13 months' bonus is an extra month of pay. One twelfth of the bonus is included in the employee's monthly salary.

(2) Overtime

Is paid at the rate of normal hourly salary plus a 50% supplement for each hour worked. The supplement is 100% for overtime worked on a Sunday.

(3) Night Differential

A supplement of 20% of the hourly salary is paid to employees who are required to work between 2200 and 0600 hours.

(4) Sunday Work

Is normally prohibited. When worked, employees receive their normal hourly salary increased by 70% plus a day of compensatory time, to be taken within 90 days from the day worked (half a day if less than four hours work is performed on Sunday).

(5) Holiday work

Must be authorized by the Minister of Labor. If authorized to work, employees receive their normal hourly salary plus a 100% supplement.

(6) Fringe Benefits Flat Rate

Covers all fringe benefits paid by the private sector which are not paid by the U.S. government: € 0.9805 plus Cost of Living index (COLI).

(7) Meal Allowance

Is paid to HN employees not on temporary duty orders, who are unable to return to their workplace at lunch time or who are required to be away from the workplace or home beyond 1900 hours. The maximum payable for lunch is € 28.02 and, if required to travel outside their country employees are entitled to a maximum of € 22.81 for both lunch and dinner, depending on the country visited.

4. Benefits and Allowances

a. Old age pension Insurance

Employer pays 8% and employee pays 8%.

b. Health Insurance

Employer pays 2.575% and employee pays 2.575%.

c. Payment of Children Allowance

The employer pays 1.7%.

5. Leave Entitlements

a. Annual Leave

Employees less than 50 years of age	27 workdays
Employees 50 to less than 55 years of age	29 workdays
Employees 55 years of age and over	30 workdays

Employees receive one additional day of annual leave after 10 years of service and another additional day after 20 years of service.

Six additional days are granted to handicapped employees.

b. Extraordinary Leave

Employees are entitled to paid leave days for periods of between one and six days for such reasons as death of a relative to own wedding.

c. Leave for Public or Civic Duties

Employees are excused with full pay for the time necessary to fulfill public or civic duties to include participation in public elections and legal citation as a witness in a trial.

d. Sick Leave

Is not earned by employees but may be taken without limit. The employer must pay the full salary during the month the illness or accident occurred and the following three months of incapacity.

e. Maternity Leave

Employees are entitled to eight weeks prior to the expected delivery date and eight weeks after the delivery date.

f. Parental Leave

Either parent is entitled to six months unpaid leave to be taken in a single period. The employment contract is temporarily suspended while an employee is on parental leave.

6. Legal Holidays

There are 10 legal holidays per year. If a legal holiday falls on a Saturday or Sunday which are non-working days, this day is added to the employee's annual leave credit and must be taken within three months from the day of the holiday. In addition, employees are granted four customary holidays each year.

7. Pay Protection

a. If an organizational measure (such as review of job description or application of new classification standards) results in a change to lower grade, the employee is entitled to pay protection in accordance with the HN labor regulation.

b. An employee receives pay protection in reduction-in-force situations.

c. However, in both cases management will make every effort to place employees in positions at their former grade level. An employee declining a position at the former grade level will lose pay protection.

8. Termination Indemnity

The indemnity is based on length of service as follows:

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| a. After five years of service: | One month salary |
| 10 years of service: | Two months salary |
| 15 years of service: | Three months salary |
| 20 years of service: | Six months salary |
| 25 years of service: | Nine months salary |
| 30 years of service: | 12 months salary |

b. Temporary employees are not entitled to a termination indemnity.